



CITY OF INGLEWOOD

OFFICE OF THE CITY MANAGER



DATE: September 30, 2015

TO: Oversight Board to the City of Inglewood as Successor Agency

FROM: City Manager's Office

SUBJECT: Adoption of Resolutions Approving ROPS 15-16B for the Period between January 1, 2016 through June 30, 2016 and Approving the Successor Agency Administrative Budget

RECOMMENDATION:

It is recommended that the Oversight Board of the City of Inglewood adopt Resolutions taking the following actions:

1. Approve the January 1, 2016, through June 30, 2016, Recognized Obligation Payment Schedule (ROPS 15-16B) for submittal to the Department of Finance (DOF); and
2. Approve the Administrative Budget for the ROPS 15-16B period. (Redevelopment Property Tax Trust Fund (RPTTF))

BACKGROUND:

As of February 1, 2012, all California Redevelopment Agencies were officially dissolved when the State of California enacted Assembly Bill 26 (AB 26). The City of Inglewood as Successor Agency to the former Inglewood Redevelopment Agency (Successor Agency) is now tasked with winding down the affairs of the former Inglewood Redevelopment Agency (Former Agency), including: (1) implementing the administrative activities of the Successor Agency as required by AB 26; (2) managing the new construction of the Senior Center, (3) the reconstruction of Century Boulevard Project; (4) renovation of parking structure number 2 on Locus Street, and (5) implementing the Long-Range Property Management Plan with regard to the sale and disposition of various Successor Agency-owned real properties, including the liquidation of all Successor Agency non-real property assets such as cash, bonds, notes, etc. Proceeds generated from the sale of these properties and assets will be allocated and distributed to various Los Angeles County taxing entities, school districts, and other local taxing agencies including the City of Inglewood (City), all as required by AB 26.

The format of the Recognized Obligation Payment Schedule (ROPS) is prescribed by forms provided by the California State Department of Finance (DOF). These forms are used by the Los Angeles County Auditor Controller to determine the amount of funds that will be allocated to the Successor Agency as Redevelopment Property Tax Trust Funds (RPTTF). Following approval by the Successor Agency, the ROPS will be forwarded to the City of Inglewood Oversight Board (Oversight Board) for approval by resolution as required by AB 1484. The ROPS and the Resolutions evidencing Oversight Board action are submitted electronically to the DOF.

DISCUSSION:

ROPS 15-16B lists expenditures projected for the period of January 1, 2016, to June 30, 2016. The funding sources include RPTTF, parking revenue, and tax exempt bonds. Table I below summarizes the expenditure by funding sources.

Table 1
Summary of ROPS Line Items

| | RPTTF FUND | TAX EXEMPT BOND | OTHER FUND | RESERVE BALANCE | TOTAL FUNDS |
|--|-----------------------|--------------------------------|-----------------------|----------------------------|------------------------|
| Property Disposition Activities - appraisals, environmental issues, legal costs, etc. | \$615,000 | | \$850,000 | | \$1,465,000 |
| Conduct ongoing Ground Water Remediation at Olive Street and Glasgow Avenue per order of the Regional Water Quality Control Board. | \$385,000 | | | | \$385,000 |
| Century Reconstruction | | \$7,631,553 | | | \$7,631,553 |
| Payment of bond indebtedness for May 2016 Principal & Interest payments | \$6,570,820 | | | \$3,310,000 | \$9,880,820 |
| Property Maintenance - maintenance of properties, repairs, utilities, insurance, includes weed and debris staff | \$203,250 | | | | \$203,250 |
| Hollywood Park Payment of Public Infrastructure Grant-funds remaining after other expenditures will be used to pay down this obligation. | \$4,500,000 | | | | \$4,500,000 |
| The City will enter into an agreement with the Successor Agency, for the funding of \$20,000,000, into a reserve account. The funds will be released for the project when specific conditions are met. | | \$20,000,000 | | | \$20,000,000 |
| Bank fee for Successor Agency Accounts | \$12,000 | | | | \$12,000 |
| Parking Structure 2 public safety-related capital improvements. | | \$801,051 | \$66,550 | | \$867,601 |
| Parking Structure operations | | | \$131,988 | | \$131,988 |
| | | | | | |
| TOTAL EXPENDITURE REQUEST BY FUND | \$12,286,070 | \$28,432,604 | \$1,048,538 | \$3,310,000 | \$45,077,212 |

Note: Other fund includes revenue from parking structures, bill board Leases, license agreements, and future land sale proceeds

The source of funds to pay for staff to conduct the necessary wind-down activities of the Successor Agency will come from the three percent (3%) administrative allowance that has averaged approximately \$308,000 for each of the previous ROPS periods. Some of the activities to be undertaken for the next ROPS period include implementation of the Long Range Property Management Plan, assist in the right of way acquisition of for the Century Blvd Reconstruction project and manage public safety capital improvements to Parking Structure Number 2 on Locust Street. Other annual administrative duties include preparing various legally required administrative reports, such as the ROPS, maintaining financial records, managing bi-annual audits, monitoring contracts, and researching various requirements that emerge as a result of new

AB 26 related legislation and new policies and procedures established by the State Legislature and/or the DOF.

The indirect costs supported by the administrative budget include a portion of the Assistant City Manager's salary and support from the finance department, City Attorney's Office, and the City Manager's Office. Also directly funded by the administrative budget is the cost of Successor Agency staff involved in the day-to-day operations of the Successor Agency. This cost includes two fulltime and three part-time positions.

A Finding of Completion was issued to the Successor Agency by the DOF on December 29, 2014. The Successor Agency is now authorized to expend bond proceeds that are targeted for the new construction of the Senior Center, reconstruction of Century Boulevard, and the public safety capital improvements for Parking Structure Number 2.

The Oversight Board is being asked to consider adopting two resolutions. The first resolution approves the ROPS for the period of January 1, 2016, to June 30, 2016 (Attachment 1) and makes certain findings pursuant to Section 34176(g) of the Health & Safety Code. The second resolution approves the administrative budget (Attachment 2). Both resolutions, following Oversight Board adoption, will be submitted to the California State Department of Finance for approval of the ROPS and the Administrative Budget.

The ROPS will not be effective until approved by the Oversight Board, provided to the Los Angeles County Auditor Controller, and approved by DOF and the State Controller. It is also required to post the Draft ROPS on the Successor Agency's website; www.cityofinglewood.org. The Draft ROPS with the DOF determination letter composes the final ROPS. The deadline for submittal of ROPS 15-16B to DOF is October 5, 2015. There are penalties if the Successor Agency does not meet this deadline.

FINANCIAL/FUNDING ISSUES AND SOURCES:

Approval of the ROPS will ultimately result in an allocation of the RPTTF to the Successor Agency for the period of January 1, 2016, to June 30, 2016. The actual amount of funds to be received will not be known until the Los Angeles County Tax Collector completes its collection of all property taxes for that period. Historically, the ROPS "B" period has generated approximately \$7,000,000, while the ROPS "A" period has generated approximately \$10,000,000. When ROPS expenditures exceed the amount of the RPTTF available, unfunded obligations are carried over to the next ROPS period.

DESCRIPTION OF ANY ATTACHMENTS:

- Attachment 1 Resolution Approving ROPS 15-16B
- Attachment 2 Resolution Approving the Administrative Budget for ROPS 15-16B

APPROVAL VERIFICATION

Prepared and Presented By Margarita Cruz, Oversight Board Member

Reviewed and Approved by Royce Jones, Legal Counsel to the Successor Agency

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WHEREAS, Assembly Bill x1 26 ("AB26") and AB x 27 ("ABx127") were passed by the State Legislature on June 15, 2011, and signed by the Governor on June 28, 2011, and

WHEREAS, by enactment of Part 1.85 of Division 24 of the Health and Safety Code, subject to all reservations herein stated, the Inglewood Redevelopment Agency was legally and effectively dissolved February 1, 2012, such that the Inglewood Redevelopment Agency shall now be deemed the former Inglewood Redevelopment Agency under Health and Safety Code section 34173(a); and

WHEREAS, Health and Safety Code section 34173(a) designates successor agencies as successor entities to former redevelopment agencies; and

WHEREAS, Health and Safety Code section 34179(a) establishes an oversight board for each successor entity to former redevelopment agencies; and

WHEREAS, on January 10, 2012 by H12-01/ 12-02, the City Council of the City of Inglewood declared itself as the successor agency upon the dissolution of the Inglewood Redevelopment Agency ("Successor Agency"), subject to all reservations stated in such resolution; and thereafter, this oversight board to the Successor Agency ("Oversight Board") was formed pursuant to Health & Safety Code section 34179(a); and

1 **WHEREAS**, the California Supreme Court in California Redevelopment
2 Association v. Matosantos, Case No. S194861 upheld the constitutionality of ABx26;
3 and

4 **WHEREAS**, California Health and Safety Code Section 34169(h) provides that
5 a successor agency must prepare a Recognized Obligations Payment Schedule
6 ("ROPS") every six months after the initial ROPS period; and

7 **WHEREAS**, under California Health and Safety Code section 34180(g), the
8 oversight board is to approve the successor agency actions concerning its approval of
9 the ROPS which includes approval of administrative cost allowances under California
10 Health & Safety Code section 34177(l)(1)(D); and

11 **WHEREAS**, on September 22, 2015, the Successor Agency adopted a
12 resolutions recommending that the Oversight Board approve the ROPS 15-16B; and

13 **WHEREAS**, the ROPS submitted with this Resolution identifies each
14 enforceable obligation for which payments will be required during the period of
15 January 1, 2016, through June 30, 2016 and specifies that the ROPS conform to the
16 State Department of Finance ("DOF") format,

17 **NOW, THEREFORE**, the Oversight Board to the City of Inglewood as the
18 Successor Agency to the former Inglewood Redevelopment Agency DOES HEREBY
19 FIND, DETERMINE, RESOLVE, AND ORDER as follows:

20 Section 1. The foregoing recitals are true and correct.

21 Section 2. All legal prerequisites to the adoption of this Resolution have
22 occurred.

23 Section 3. The attached ROPS is hereby adopted.

24 Section 4. The Successor Agency staff is authorized to administratively
25 amend the ROPS in order to remove such line items that are subsequently
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27
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1 disapproved by DOF or to accommodate requests made by the County Auditor-
2 Controller.

3 Section 6. The Successor Agency's Executive Director, or designee, is
4 hereby authorized to take such actions as are necessary and appropriate to comply
5 with AB 26.
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7 Section 7. This Resolution shall take effect immediately upon its adoption.


8 Section 8. The Oversight Board's Secretary shall certify as to the adoption of
9 this resolution.

10 PASSED, APPROVED and ADOPTED by the Oversight Board to the City of
11 Inglewood as the Successor Agency to the former Inglewood Redevelopment Agency,
12 at a regularly scheduled meeting held this 28th day of Sept, 2015, by
13 the following vote:
14


15 Yes:

16 No:

17 Abstain:



James T. Butts, Chairman
City of Inglewood
Former Redevelopment Agency
Oversight Board



Olga J. Castañeda, Deputy Clerk
County of Los Angeles, Board of Supervisors
Acting as Secretary to the City of Inglewood
Former Redevelopment Agency Oversight Board

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WHEREAS, Health and Safety Code section 34173(a) designates successor agencies as successor entities to former redevelopment agencies; and

WHEREAS, on January 10, 2012 by H12-01/ 12-02, the City Council of the City of Inglewood declared itself as the successor agency upon the dissolution of the Inglewood Redevelopment Agency ("Successor Agency"), subject to all reservations stated in such resolution; and thereafter, the oversight board to the successor agency was formed pursuant to Health & Safety Code section 34179(a)("Oversight Board"); and

1 **WHEREAS**, the California Supreme Court in California Redevelopment
2 Association v. Matosantos, Case No. S194861 upheld the constitutionality of ABx26;
3 and

4 **WHEREAS**, as part of the submission and approval of the Recognized
5 Obligations Payment Schedule ("ROPS"), the Successor Agency is required to submit
6 a copy of a Successor Agency approved Administrative Allowance Budget to the
7 Oversight Board, for consideration and approval under California Health & Safety
8 Code section 34177(l)(1)(D); and

9
10 **WHEREAS**, on September 22, 2015, the Successor Agency adopted resolution
11 recommending that the Oversight Board approve Administrative Budget for ROPS 15-
12 16B; and

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14 **WHEREAS**, the Successor Agency may administratively modify positions listed
15 to provide the skills required to manage any projects that are taking place provided the
16 addition or upgrade of any position does not cause the Administrative Budget to
17 exceed the three percent (3%) maximum; and

18
19 **WHEREAS**, the Successor Agency has ongoing redevelopment projects
20 throughout the City of Inglewood necessitating staff support to complete these projects
21 and related tasks, including but not limited to, preparing the Recognized Obligations
22 Payment Schedules ("ROPS") and budgets, overseeing consultant contracts and
23 assignments, managing all remaining project implementation, real property
24 dispositions as well as ensuring compliance with the requirements of AB 26 and AB
25 1484, as amended from time to time, and other related and needed activities, and

26 **WHEREAS**, upon approval by the Oversight Board, the Successor Agency is
27 required to submit a copy of the approved Administrative Budget to the State of
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1 California Controller ("Controller's Office") and the State of California Department of
2 Finance ("DOF"),

3 **NOW, THEREFORE,** the Oversight Board to the Successor Agency of the
4 former Inglewood Redevelopment Agency does hereby resolve as follows:

5 **SECTION 1.** The Recitals set forth above are true and correct and are
6 incorporated into the Resolution by this reference.

7 **SECTION 2.** The Oversight Board hereby approves and adopts the
8 Administrative Allowance Budget in substantially the form attached to this Resolution
9 as Exhibit A.

10 **SECTION 3.** The Oversight Board directs staff to submit copies of the
11 Administrative Allowance Budget approved by the Successor Agency to the DOF and
12 the Controller's Office prior to October 5, 2015.

13 **SECTION 4.** If any provision of this Resolution or the application of any
14 such provision to any person or circumstance is held invalid, such invalidity shall not
15 affect other provisions or applications of this Resolution or the applications of this
16 Resolution that can be given effect without the invalid provision or application, and to
17 this end the provisions of this Resolution are severable. The Oversight Board declares
18 that the Oversight Board would have adopted this Resolution irrespective of the
19 invalidity of any particular portion of this Resolution.
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22 **Section 5.** The Oversight Board Secretary shall certify as to the adoption of
23 this Resolution.

24 **Section 6.** This Resolution shall take effect immediately upon adoption.


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1 **PASSED, APPROVED AND ADOPTED** by the Oversight Board to the former
2 Inglewood Redevelopment Agency, at a regularly scheduled meeting held this
3 28th day of SEPT, 2015.
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6 Yes:
7 No:
8 Abstain:

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10 James T. Butts, Chairman
11 City of Inglewood
12 Former Redevelopment Agency
13 Oversight Board

14 ATTEST:

15 
16 Olga J. Castañeda, Deputy Clerk
17 County of Los Angeles Board of Supervisors
18 Acting as Secretary to the City
19 Of Inglewood Former Redevelopment
20 Agency Oversight Board
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